

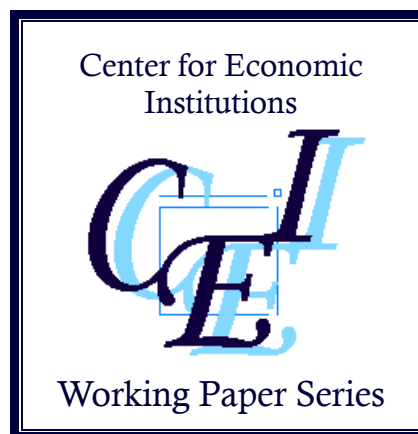
Center for Economic Institutions
Working Paper Series

No. 2010-1

*“Migrant Workers from Central Asia into the
Russian Federation”*

Sergei V. Ryazantsev, Norio Horie,
Kazuhiro Kumo

October 2010



Institute of Economic Research
Hitotsubashi University
2-1 Naka, Kunitachi, Tokyo, 186-8603 JAPAN
<http://cei.ier.hit-u.ac.jp/English/index.html>
Tel:+81-42-580-8405/Fax:+81-42-580-8333

MIGRANT WORKERS FROM CENTRAL ASIA INTO THE RUSSIAN FEDERATION¹

Sergei V. Ryazantsev

Professor, Head of Center Social Demography and Economic Sociology in Institute Socio-Politic Research of Russian Academy of Sciences (Moscow, Russian Federation)

Norio Horie

Professor, Vice Director, Center for Far Eastern Studies, University of Toyama (Toyama, Japan)

Kazuhiro Kumo

Associate Professor, Russian Research Center, Institute of Economic Research, Hitotsubashi University (Tokyo, Japan)

Introduction

According to the pessimistic population forecast in “the Concept of Demographic Development of the Russian Federation,” the number of population over the age of 60 will be more than 8.3 million in 2025. Also, from 2010 to 2014, it is estimated that the annual decrease in able-bodied citizens will be 1.3 million, which may cause a serious concern for labour shortage. Part of the labour shortage may be compensated by the development of high technologies in the economy leading to the growth of manufacturing productivity. But it would probably become unavoidable for the country to accept workers from abroad.

Central Asia consists of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, formed after the disintegration of USSR. In 2008, Russia accepted more than 1.2 million workers from these countries. Presently, natives of Uzbekistan, Tajikistan, and Kyrgyzstan comprise half of the foreign workers in Russia. They work in

¹ Given article was prepared during the stay of Sergey V. Ryazantsev at Hitotsubashi University as a Visiting Professor in January-June 2010 and represents result of international cooperation between scientists of the Russian Academy of Sciences, Hitotsubashi University and Toyama University. Also in the given paper, some material received by Sergey V. Ryazantsev in the process of the research “Migrant workers from Central Asia in the housing and utilities sector of Moscow” under the project “Towards Sustainable Partnerships for the Effective Governance of Labour Migration in the Russian Federation, the Caucasus and Central Asia” financed by the European Union (EU) (2007-2010), are used.

³ Broom on asphalt // Arguments and Facts. - #1-2, 2008. – P.23

the economic branches of construction, housing, communication services, transportation, trade, service industry, and many other areas. The number of foreign workers will amount to an even larger figure if we consider the existence of undocumented labour migrants (who may have no registration for residency, no work permits, or other necessary documents). Migrant workers from Central Asia often take the severe jobs that people are usually unwilling to take, and bear low standards of living in many cases. In the given article, we examine the tendencies of labour migration from Central Asia, the basic problems of migrant workers, and relationship between migration and remittances, and present various suggestions which may improve the regulations on labour migration in Russia.

General tendencies and regulations on international labour migration in Russia

Labour migration from abroad has been forming a considerable part of migratory flow into the Russian Federation. According to the data shown by Federal Migration Service (FMS) of Russia, the number of temporary labour migrants in Russia is increasing significantly. While the figure was approximately 380,000 in 2003, it became more than 702,000 in 2005, 1,014,000 in 2006, and 1,717,000 in 2007. Although 2.4 million foreign workers worked in Russia in 2008 (Figure 1), its share in the total Russian workforce still remained only 3.4%. However, in some areas of the economy, the share was higher - it reached almost 19% in construction.

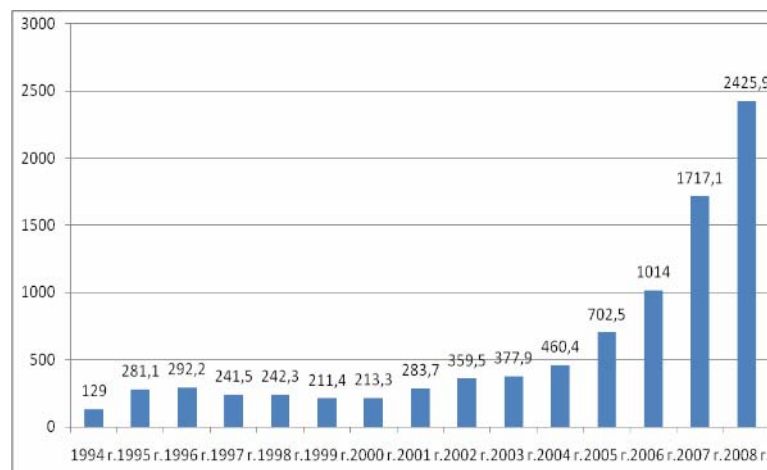


Figure 1. Number of foreign citizens working in the territory of Russia in 1994-2008 (Thousand persons)

In recent years, foreign workers arrive in Russia from more than 140 countries. The following three countries of Central Asia were the largest supplier of foreign workers in 2008: Uzbekistan (643,000), Tajikistan (391,000), and Kyrgyzstan (185,000). From the

CIS countries, a significant number of workers are exported from Ukraine (245,000), Moldova (122,000), Armenia (100,000), and Azerbaijan (76,000). After the registration procedure to receive a work permit in Russia was simplified in January 2007 for the citizens of the CIS countries, their share grew, and in 2008, the figure accounted for more than 73% of the total number of foreign workers. China, exporting 282,000 workers to Russia, comes third on the list, followed by countries such as Turkey (131,000), Vietnam (95,000), and Democratic People’s Republic of Korea (35,000) (Figure 2).

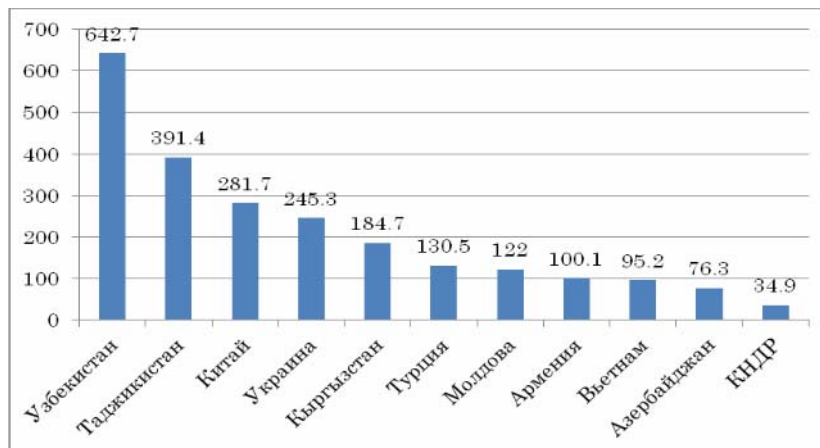


Figure 2. Ten largest countries exporting migrant workers into Russia in 2008 (Thousand persons)

Foreign workers who are legally accepted dominate the foreign workforce. Structurally, foreign workers work mainly in the economic branches of construction, agriculture, transportation, housing, communication services, trade, and service industry. There is a tendency that workers from a certain country work in specific areas of the Russian labour market. Tajik migrants work primarily in construction, housing, and communication services. Migrants from Uzbekistan work in construction, agriculture, trade, housing, and communication services. Kyrgyzstan migrants occupy jobs in housing, communication services, transportation, trade, and other services. Construction, repair work, factory work, and transportation industry attracts many Ukrainian migrants. Moldavian migrants mainly become drivers, or work in construction. Chinese and Vietnamese dominate trade, agriculture, and light industry. Turkish workers mainly work in construction. Foreigners occupying top management of banks, insurance companies, and commerce originate from countries of “Far Abroad” (USA, Japan, and European states). It may be stated that foreign workers tend to find jobs in the Russian labour market depending on their country of origin.

Private-sector firms used to hire irregular migrants primarily, based on oral agreements. However, the size of foreign labour force, employed by smaller private businesses, has lately been increasing by approximately 5% per year. Sex and age

composition of foreign workers have been quite stable for many years - about 90% are male workers. Up to 80% of the total male workforce and 90% of female workers are from ages 18 to 39. Within the total foreign workforce, about 40% are from ages 30 to 39.

There is a considerable difference between the official figures and the actual number of labour migrants in Russia. Though the actual number is unknown, it is estimated that the number of illegal labour migrants are several times more than that of the registered. The representatives of the Ministry of Internal Affairs of Russia reported the number of illegal labour migrants to be approximately 10 million, while some politicians claimed the figure to be 15 million. We estimated the data is probably from the population census of 2002. Through the research, there were still about 2 million labourers not accounted for the current data, who may be assumed as temporary workers. Some of the researchers estimate such figure to be 5 million. Approximately 70% of the illegal labour migrants in Russia are citizens from the CIS countries. Although they have arrived legally from countries where they may enter into Russia without visas, they have not been able to register nor receive work permits in Russia. Such situation has been the cause of the growth of illegal labour markets in big cities.

In the beginning of 2007, Russia adopted a number of new laws to solve problems concerning temporary labour migrants. For example, registration for residency has been simplified, and fines have been increased for employing illegal migrants, which made it much easier for labour migrants to be registered. However, since the problem of employers' hiring migrant workers with unjustly low wages has not been totally eliminated, it is necessary for the country to develop a network to supervise the working conditions of migrants, and also enter into an agreement with each country concerning labour migration.

Serious problems have also appeared in the immigration policy of Russia regarding regulations on labour migration. Foreign labour force is accepted within the limits of special quotas determined annually by the Government of the Russian Federation. Upon the issuance of work permits based on the quota, the Ministry of Health and Social Development locates the foreign citizens into various professional groups and to the regions of Russia. Since 2007, the quota has been set separately for countries depending on whether visas are required or not. The size of the quota for the countries admitted free entry is several times larger than the rest of the countries.

Assigning quotas for accepting foreign labour force has caused serious problems in Russia. For example, in 2003 and 2007, the scale of a quota was too large, and as a result, only 40% and 20% was implemented for the respective years (Table 1), due to the fact that there has been no clear method to evaluate the actual demand for foreign labour force. Not all employers are able to plan out their demand for migrant workers precisely, and some of them simply cannot apply in time.

Table 1. Quotas on attraction of foreign workers to the Russian Federation in 2003-2010 (Thousand persons)

	2003	2004	2005	2006	2007	2008	2009	2010
Total (planned number)	530,0	213,0	214,0	329,3	6.308,8	1.828,3	5.227,6	2.555,5
For the countries with a visa regime	-	-	-	-	308,8	672,3	1.250,8	611,1
For the countries with a visa-free regime	-	-	-	-	6.000,0	1.155,9	3.976,8	1.944,4
actually issued permissions	210,5	248,8	225,8	267,2	1.194,0	3.500,0
Quota performance, %	39,7	116,8	105,5	81,1	18,9	191,4

Applications for the use of quota are frequently disarranged especially in the regional area. There are often situations when a quota applied by one employer has actually been used already by another employer. In mid-year 2008, the authorities were forced to increase the quota urgently, since it had met the limit already by June. By the end of the year, 3.4 million work permits were issued for foreign citizens, which was almost a double of the initially planned quota.

In 2009, the Government of Russia first set the quota in the size of 4 million. However, the world economic crisis prevented further development in some of the economic sectors, and instead, resulted in an increase of unemployment which forced the Russian authorities to reduce the size of quota for labour migrants. In the same year, many foreign workers lost jobs and earnings, particularly at the time when Prime Minister V. V. Putin declared to reduce the quota of foreign labour force to half the initial size. He explained that the reduction of the quota was due to the impact of economic crisis: “We must first provide job opportunities for Russians. Otherwise, foreign workers will be taking over the jobs which should first be taken by the citizens of Russia.” As a result, in 2010, the quota was reduced to almost half the size of the previous year, and only 2.6 million work permits were planned to be issued.

Regional characteristics of labour migrations from Central Asia

Foreign labour migrants are dispersed unevenly in the Russian territory. Although foreign labour migrants practically work in all regions, Central Russia obviously holds the largest number of foreign workers which accounts for over 40% of the total regular foreign labour force. Within Central Russia, 1/3 of the total labour migrants in the country are concentrated in Moscow, where foreign workers account for 6% of the total workforce. Moscow, now with more job opportunities due to the diversification of the territory, has been attracting temporary labour migrants from various territories of Russia, CIS states, and the states “Far Abroad.”

The second largest region, where every sixth of labour migrants work in, is Ural Federal Okrug. Oil industries of Yamal and Nenets Autonomous Okrug, and

Khanty-Mansi Autonomous Okrug have been the major source of job opportunities, and marks second and third place in the country for the number of foreign workers employed. Labour migrants (in the region) work primarily in oil mining industry, and construction. Far East Okrug is the third largest region attracting foreign workers which accounts for 10% of the total foreign workforce. Labourers, primarily from China, Peoples Democratic Republic of Korea, and Vietnam work in construction, agriculture, and forestry of Primorsky, Khabarovsk, and Amur territories of the region. Siberia, North, West, Volga, and Southern Federal Okrugs follow by the number of foreign workers (Figure 3).

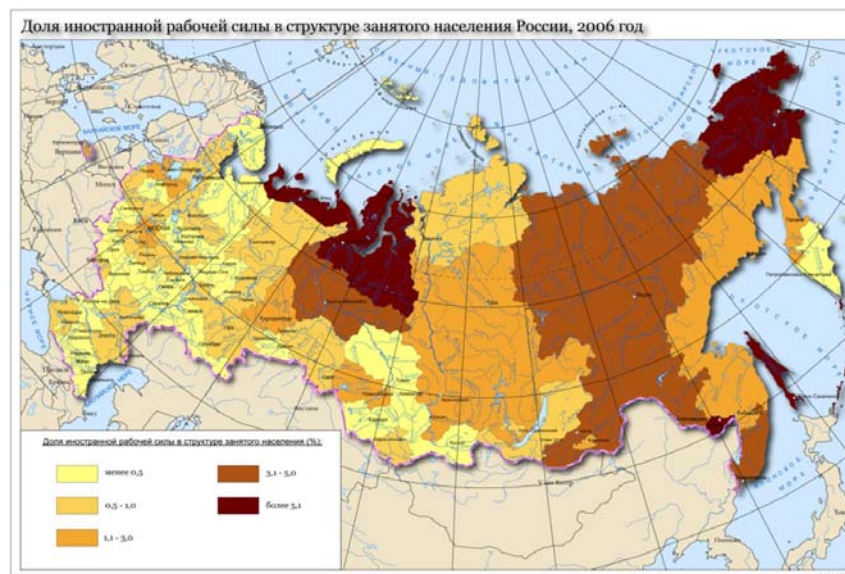


Figure 3. Share of the number of foreign labour migrants in the regions of the Russian Federation

At present, Moscow obviously holds the largest number of foreign workers among all Russian regions. According to the 2007 data, there were almost 1/3(29%) of the total foreign labour force in Moscow. FMS and its territorial departments have issued approximately 650,000 work permits for foreign citizens to work in Moscow, including 532,000(or 82%) for workers who are admitted free entry into Russia. However, according to other official figures, 483,000 migrant workers were working in Moscow in the same year, including 244,000 workers who entered Russia through the visa-free regime. The differences may be explained by the fact that work permits are issued in various terms of length, some for less than one year. Therefore, it is possible for one person to acquire several work permits in the same year. In 2007, FMS and the Federal State Service of Employment of Population received 209,000 documents from employers stating that they have hired foreign citizens who do not need visas on entry. The actual figure is unknown even to the state agencies – they have official information on only 39% of the labour migrants with work permits in Moscow.

The number of permits issued, and the figure of migrant workers from Central Asia working in Moscow during 2007, also differs significantly for the same reason. FMS has not been able to show an exact data on the number of foreign migrant workers living in the territory. The number of foreign migrant workers in Moscow has been increasing every year. Its growth in 2007 was especially notable since new rules for migration and new procedures for issuing permits had been implemented. The size of foreign workers increased by 24%, and distinctly, the percentage share of workers from Central Asian countries in total foreign labour migrants increased by 70% to 90%. They became the leading group of foreign workers occupying various economic sectors of Moscow. For example, Uzbekistan, which was the seventh country on the list in 2006, became first in 2008. Tajikistan, which was sixth, became second, and Kyrgyzstan moved up to sixth from ninth.

Since the demand for human resources do not actually grow so rapidly in a year, such increase was the effect of changes in the rules of legislation for foreign migrants. Ones who were working irregularly or those who did not have an opportunity to acquire work permits and not being able to register for residency were excluded from the number of foreign migrants under the previous severe rules. And, the number of foreign workers from countries of “Far Abroad” has not increased since 2007. The sudden increase in the number of workers from Central Asia indicates that the procedures for obtaining work permits and registering for residency were simplified only for citizens from states allowed to enter Russia without visas (mainly CIS countries).

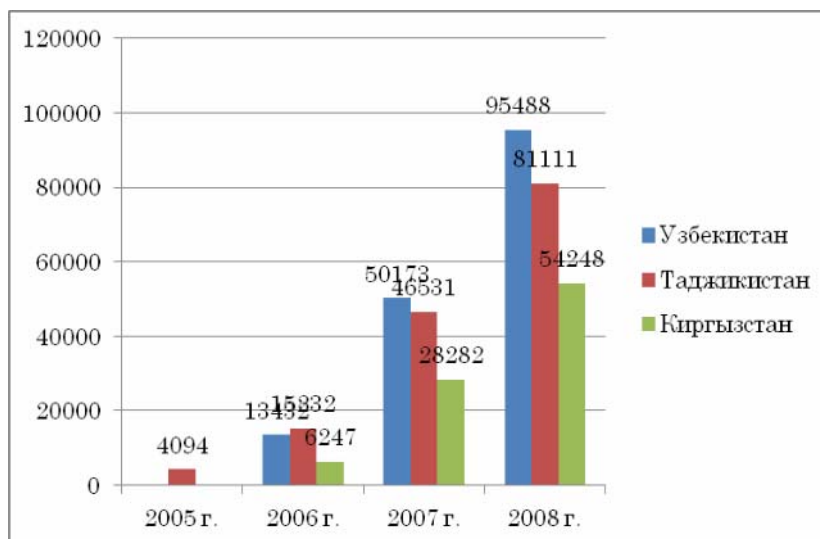


Figure 4. Number of migrant workers from Central Asia to Moscow in 2005-2008 (Persons) (Data of FMS of Moscow. 2008 data includes data from January to September)

The official figures of foreign labour migrants from Central Asia seriously differ from unofficial estimates. For example, by FMS data of 2006, 99,000 citizens of

Tajikistan and 33,000 citizens of Kyrgyzstan worked in Russia, whereas according to the information of human rights NGO, “Narodnaya Liga Tajiki,” there were actually no less than 1.5 million migrant workers from Tajikistan. Another example is that, although 270,000 worked in Moscow, the official data of FMS of Moscow shows a smaller size (Figure 4). According to the State Committee of Migration and Employment of Kyrgyzstan, there are 253,000 labour migrants in Russia, including 171,000 registered migrants. But other estimates show that there are no less than 500,000 workers from Kyrgyzstan.

Foreign workers in Moscow tend to work only in particular branches of the economy. In Moscow, they account for a large share in trade, service, transportation, housing, and communication service industries. On the contrary, the percentage is low in construction, agriculture, forestry, and manufacturing industry compared to the industrial structure of the Russian economy as a whole. According to the 2007 data of FMS of Moscow, main economic branches where foreign labour was used were wholesale and retail trade (32%), construction (26%), housing, communication services, and social services (5%).

Employers of trade and catering business hire the most number of foreign migrant workers. Despite the fact that the Russian authorities banned trading in markets by foreign citizens, many of them are still involved in wholesale and retail trade, and also service sectors such as restaurant businesses, repair works, etc. Owners kept renaming markets in trade complexes so that they could continue to use foreign migrant workers. Although only 110,000 permits for jobs in this branch were said to have been issued to foreign citizens in 2007, the FMS estimates show that there were actually 156,000 persons working during the same year. Countries of Central Asia were the largest suppliers of labour in trade and service sector: 66,000 from Tajikistan; 65,000 from Uzbekistan; and 42,000 from Kyrgyzstan. More than half of the employees in the trade and service sector were foreign workers.

Construction is the second branch of the economy attractive to migrant workers. They are the major labour force in construction projects of Moscow. In 2007, FMS issued approximately 230,000 work permits to foreign citizens to work in construction firms. According to the official figures, foreign labour migrants numbered 124,000 or 82% of the construction labour force of Moscow, including 115,000 workers from Uzbekistan, 104,000 from Tajikistan, and 53,000 from Kyrgyzstan. Ukraine and Moldova, followed by Central Asian countries, are also large exporters of labour in the construction sector of Moscow. Many labour migrants who do not desire permanent residency prefer to work as illegal employees - some even work at night for relatively low wages.

Transportation is also one of the economic branches where foreign labour has been used actively. Approximately 10% of the labour force in transportation accounts for foreign workers. Migrants from CIS states mainly work as drivers of trolleybuses,

minibuses, and other kinds of buses in Moscow. Experts estimate, 76% drivers of buses in town, 73% of trolleybuses, and 41% of trams in the capital are made up of foreigners. In 2007, FMS issued approximately 29,000 permits for foreigners to work in transportation in Moscow, and a total of around 30,000 labourers were working during the same year. Ukraine was the single largest exporter of migrant workers (145,000) in the sector, followed by Central Asian countries: 65,000 from Uzbekistan ; 51,000 from Tajikistan; and 11,000 from Kyrgyzstan. Although rather a large number of foreigners are employed as drivers in the transportation industry, traffic accidents occur frequently due to their insufficient knowledge and experience in driving. This has led V.I. Matvienko, the governor of Saint-Petersburg city, to adopt a compulsory exam for drivers from CIS countries to test their knowledge on Russian traffic rules.

Housing and communal service is the fourth largest industry where foreign labour migrants work in. In 2007, approximately 24,000 permits were issued to foreign citizens to work in housing and communal service enterprises in Moscow and about the same number of foreign labour migrants was working in the same year. Specific jobs in housing and communal service industry are gardeners, sanitary engineers, electricians, concierges, etc. Official figures show that foreigners account for approximately 13% of the total work force in the housing and communal industry, and within the figure, 60% to 90%³ of gardeners working in various districts of Moscow are foreigners.

In general, labour market in the capital city depends heavily on foreign labour force. Accounts show that more than 15% of the total work force in Moscow is consisted of foreign migrant workers, and in some branches such as construction, and trade, they are the majority. In fact, there are economic sectors in Moscow which totally depend on migrant workers.

On February 1st, 2009, the authorities of Moscow implemented new regulations concerning registration of foreign citizens and residents from other regions of Russia. In order to register for residency, it is now necessary to present documents which confirm that a residential lease agreement has actually been signed. The authorities decided to take control over the rental market for residencies, since, as experts estimate, though 125,000 flats are being rented, only 55,000 owners are paying official taxes. The city has been losing from 80 million to 2 billion rubles annually for such reason. Registration for residential lease agreements is entrusted to Unitarian Enterprise of the City "Moscow City Centre of Leasing Houses." Migrants are provided with a copy of documents for registration of residential lease agreements within five days⁴ from entry. The document costs them 382 rubles. Taking into account that foreign citizens must register in Russia within three working days from the date of entry into Russia, such change in regulation may cause confusion among labour migrants for them to obtain official registration in Moscow.

⁴ Registration by employment // Vzglyad. – 23 January 2009. – P. 1-2

Currently, labour shortage in Moscow has been compensated by migrant workers who work on low wages. The major problem is that there is a mechanism in the country which allows employers to ignore the poor working and living conditions of the migrant workers. The situation does not ameliorate since migrant workers come from countries where working and living conditions are even worse, and employers in Russia are taking advantage of the fact that migrant workers will still work in poor conditions.

Savings and remittances of migrant workers from Central Asian countries

Labour migration has many socio-economic effects in Russia and Central Asian countries. Migrant workers make up for various “non-prestigious niche” job markets with severe working conditions, which residents of Russia are unwilling to take. All branches of the economy have developed for the sake of foreign migrants. Construction industry in large cities, for a good example, has grown partly due to the use of cheap labour force from abroad. Labour migration became not only the means of survival for a significant part of CIS workers, but also an essential part of economic development in the region.

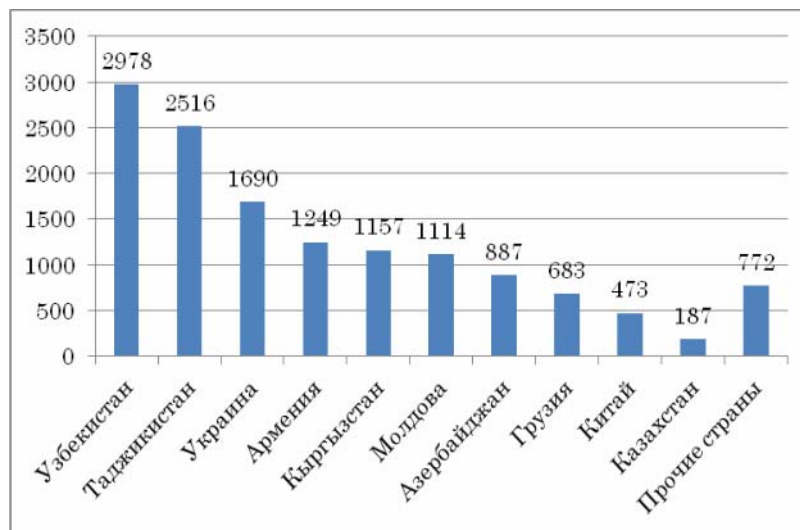


Figure 5. Volume of remittances from Russia to CIS countries in 2008 through systems of remittances and Post of Russia⁵ (mil.USD)

Labour migration from CIS countries increased the remittances from Russia to the countries where the labour migrants originated from. Money passes both through official (banks, and postal services) and informal (intermediaries, train conductor, and

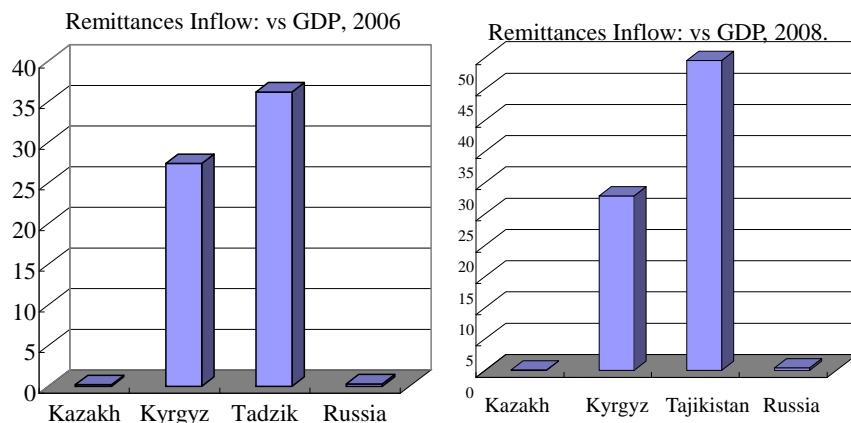
⁵ Data of the Central Bank of Russia

relatives) channels. Inflow of savings and remittances of labour migrants have direct economic effects on their countries of origin. They apply their earnings to pay debts, and provide their families with necessities. According to the 2007 data of Central Bank of Russia, the sum of remittances from Russia to CIS countries added up to approximately 8.6 billion USD, Tajikistan, Kyrgyzstan, and Uzbekistan accounting for 47% of the total amount. Uzbekistan received the highest amount of 1.7 billion USD, followed by 1.6 billion USD of Tajikistan. The average amount of one remittance to Uzbekistan was 699 USD, 623 USD for Tajikistan, and 474 USD for Kyrgyzstan.

By some data, labour migrants transfer about 15 billion USD from Russia annually. If there is enough transparency in the transactions, the country should be able to collect 4.5 billion USD worth tax (if the income tax rate for non-residents, 30%, were applied.), without taking social insurance into account. However, many migrants work illegally and earn wages without paying taxes and social insurances.

BOX: Migration and Remittances in Tajikistan

The scale of remittances in Central Asia is huge as described in the main text. In this box we would like to offer a brief information from an examination on migration and remittances in Tajikistan by using macro- and micro-data.



Source: *Migration and Remittances Factbook*, World Bank, 2008; The latest remittance data by the World Bank, <[http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/RemittancesData_Nov09\(Public\).xls](http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/RemittancesData_Nov09(Public).xls)>

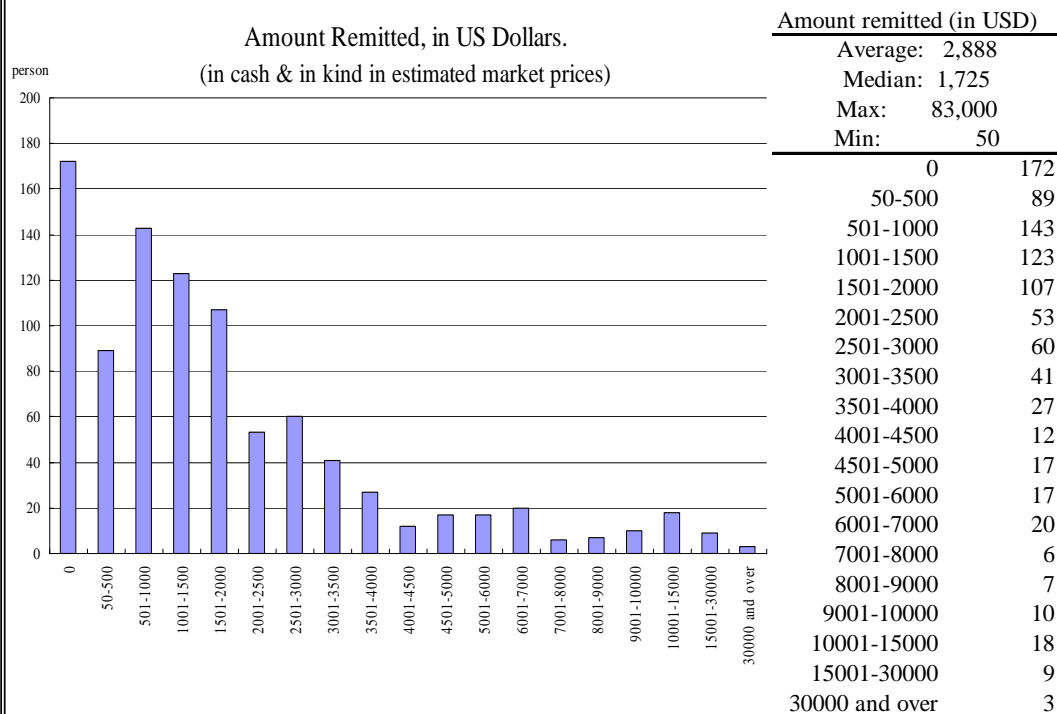
According to the World Bank data, which relies on IMF Balance of Payment statistics, remittances as a portion of GDP in Tajikistan and Kyrgyz in 2006 are 35% and 26%, respectively (IMF Balance of Payments Statistics). As for Tajikistan, this figure is said to amount up to 50% or so in 2008 (World Bank, 2010).

These figures taken from macro-level statistics may be astonishing for readers, but examination on micro-data set also confirms the huge scale of remittances.

We used forms returned from Tajikistan Living Standards Survey (TLSS) conducted by the World Bank and UNICEF. The data consist from representative sample on the level of: (1) Tajikistan as a whole, (2) total urban and total rural areas, (3) the five main administrative regions (oblasts) of the country. The size of sample is 4,860 dwellings or 30,139 individuals.

Among family members currently living away from the household in 2007 (the number of sample was 934), more than 80% of out-migrants remit in cash or in kind. The median of the amount remitted was 1,725 USD and the average of that was 2,888 USD in 2007. We should note that per capita gross domestic products of Tajikistan in 2006 was 426 USD.

Tajik Migrants, by the Size of Remittances in 2007

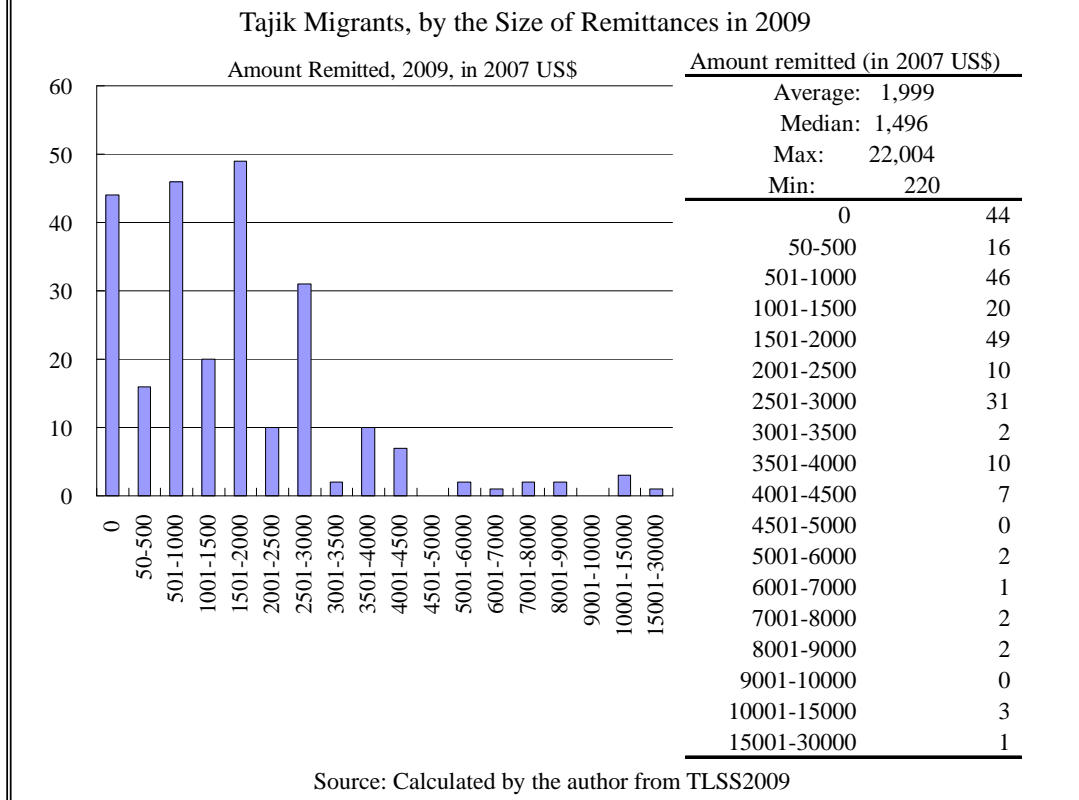


Source: Calculated by the author from TLSS2007

The situation did not change much in 2009 from that in 2007. We utilized TLSS2009, Tajikistan Living Standards Survey in 2009, conducted by the World Bank in November 2009. At this time the aim of the survey was to capture the effects of economic crisis and the sample size was comparatively small. They consist of 1,503 households or 10,069 individuals, which means that the sample size was one-third of the former survey conducted in 2007.

By TLSS2009 we could point out that the scale of remittances by migrants shrunk to two-third of the amount in 2007. This figure corresponds with the scale of shrinkage in remittances in macro or national level statistics, therefore the macro data also can be regarded as a reliable one. Irrespective to the shrinkage in remittances in 2009, the impact

of migrants' remittances on Tajikistan economy must be quite huge if we take into account the small size of gross domestic products of Tajikistan,.



Main problems faced by labour migrants from Central Asia states in Russia

The main reasons for labour migration from Central Asian states arise from the rapid population growth in the region, the high levels of unemployment, decrease in manufacturing productivity, and stagnation in the economy. Since the governments of the states of Central Asia are not undertaking serious actions to promote employment, there is no other way for the people than to search for job opportunities abroad. Russia, which has rather a high capacity and diversity in the labour market, together with the convenience of visa-free regime, has been quite attractive for labour migrants from Central Asia. Main exporters of labour migrants in recent years are such countries as former states of USSR.

By the State Committee data on Migration and Employment of Kyrgyzstan, the current number of persons unemployed is 271,000. Although it is a tradition for Kyrgyz people to hold big ceremonies on occasions such as weddings, jubilees, funerals etc., it is impossible for them to save for such money without working abroad. In Moscow, migrant workers may earn 800-1000 USD a month, whereas they may only

earn 300-400 USD a month in their country of origin. Towns, rural areas, and border districts of Tajikistan, which suffered from civil war, have exported the most number of labour migrants. These towns such as Isfarinsky, Kanibadamsky, Ashtsky, Ininsky, Pendgikentsky, Shakhristskiy in Sogdyiskaya oblast, are mainly on the border districts of Uzbekistan. Also, territories such as Bokhtarsky, Vakhshsky, Farhorskyy are in Khatlonskaya oblast. Workers who leave their country for earnings are mostly men⁶. Attractive factors of the labour market in Russia, especially the higher wages, have been prompting a great inflow of migration into the Russian regions.

The research has allowed us to find out several problems faced by labour migrants from Central Asia. Temporary or seasonal migration has become more common among workers. A majority of labour migrants leave their country in spring and summer, and return in autumn. They search for jobs by themselves or with the aid of relatives and acquaintances, otherwise through intermediary persons who, with no appropriate license, privately search jobs for migrants. The lack of fully developed policy for labour migration has created room for intermediary persons to cheat on the migrants' money by recruiting them to fill in the niche markets.

There also exist illegal labour markets used personally or by firms. The most "famous" market, "labour stock," is on the corner of Little Circle Automobile Road and Yaroslavl roadway, always overwhelmed by labour migrants from Central Asian states hoping to find work. When some of the employers fired workers due to economic crisis, even more people looking for jobs came to the "labour stock." Since many workers coming to the illegal labour market do not have work permits, they have no choice but to bear low wages and live in poor conditions. Employees say that representatives of legal offices exploit them by making them work in construction and repairing of firms, private dachas, houses, etc., without pay.

Many migrant workers work under harsh conditions and environments, always at the risk of injuries and infectious diseases. The Labour Codex does not define guidelines on the management of labour conditions of the workers. Migrant workers work more than eight hours daily in many cases, without weekends or holidays. Migrants say that employers who are unwilling to pay for "holidays," return them once to their home countries, and have them come back to work again. Most migrants are unable to claim their rights for holidays.

What is making the situation more difficult is that many labour migrants do not have signed official labour contracts. It is rather seldom for migrants to sign labour contracts with private firms than with public offices. All of our attempts to see even one signed contract have failed. It means that although contracts are signed, they are not given to the migrants. Therefore, even when the migrant workers get into conflicts with the employers, having no signed contracts makes it difficult for the migrants to seek legal

⁶ Olimova S., Bosk I. Labor migration from Tajikistan. – Dushanbe: IOM, 2003. – P.31.

assistance and assert their rights in court.

Research shows that foreign workers are paid less than Russian citizens for doing the same work. Even if the immigrant workers have Russian citizenship⁷, some are not guaranteed to be paid the same wages as Russians. Employers often continue to recognize them as immigrants and pay them less.

Poor living conditions are also one of the serious problems faced by migrant workers in Russia. Many of them live where they work, often in places not suitable for living. These places may be attics, basements, unfinished buildings or ones to be demolished, garbage carts, trailers, bathrooms, etc. Needless to say, such places are often unsanitary, and have no essential facilities for water, heating, or light. They easily become ill by living under such conditions. But still, many migrants usually continue to live and work in the same place. There once was a situation when a woman gardener from Tajikistan gave birth to a child in a basement where she lived in⁸. It revealed the difficulties of migrant workers to integrate into the Russian society, and also brought out into open that such low standard of living has led to a creation of “parallel societies” separating the migrants as the “second sort.” Such situation may lead to social conflicts.

Whether to include migrants into the medical insurance system or not is another acute problem. Migrants may be divided into groups depending on the level of risks for spreading infectious diseases or the seriousness of injuries. According to the data of Department of Healthcare of Moscow, 105,000 foreign citizens received medical treatment in 2007. 705 cases of tuberculosis, 219 cases of HIV/AIDS, and 908 cases of syphilis have been reported⁹. The arrangements necessary for receiving medical treatment have changed since 2008.

Under the pressure of Federal Antimonopoly Service, private medical organizations acquired permits so that they may make arrangements for the migrant workers to receive medical treatment. Experts say that although the number of cases of diseases being discovered among migrants has reduced, (from January to November 2008, only 195 cases of tuberculosis, 61 cases of HIV/AIDS, and 283 cases of syphilis were discovered), the acuteness of the problem has not changed. Many labour migrants are still in unhealthful conditions, increasing the risk of spreading infectious diseases among the population. Only several migrants interviewed had medical insurance.

As stated above, living conditions of migrant workers from Central Asia still remain poor. Signing labour contracts would not solve all problems for migrant workers. As long as no one regulates exploitation of migrant workers by employers who hire them with unjustly low wages, and have no intentions to raise their pay or improve their working conditions, the situation will not become better.

⁷ The Russian Federation and some CIS countries accept dual citizenship.

⁸ Broom on asphalt // Arguments and Facts. - #1-2, 2008. – P.23

⁹ Data of Department of Health of Moscow

Regulations on labour migration from Central Asia to Russia

The basic arrangements necessary for migrant workers from Central Asia to enter into Russia do not differ from that of the labour migrants from other countries. Federal Law from 25 July, 2002 #115-FL regarding “legal status of foreign citizens in the Russian Federation,” which states the order of arrangements for foreign workers who do not need visas, is applied to them.

On the other hand, there are several differences in the regulation among the citizens of Tajikistan, Kyrgyzstan and CIS states. These differences are recognized in the mutual intergovernmental agreement concerning regulations on labour migration from Tajikistan and Kyrgyzstan. The agreement signed in Dushanbe on October 16th, 2004 among the Government of the Russian Federation, the Government of the Republic of Tajikistan, and the citizens of the Republic of Tajikistan in the Russian Federation, is currently valid. The agreement made it significantly easier for the two countries to regulate the process of labour migration from Tajikistan to the Russian Federation. Migrant workers are guaranteed for their social protection and medical aid. They are also prevented from double taxation, allowed import and export of necessities including financial resources, and given the rights to receive educational services.

However, issues involved in the agreement totally opposed some of the Russian legislations. The Collegiate of Chamber of Accounts, checking the Agreement in parallel with the Agency of State Financial Control, and Combating with Corruption of the Republic of Tajikistan, pointed out serious insufficiencies in the Agreement in order to put it into practice. They stated that it is incompatible to define the needs to attract foreign workers on one hand, and to set quotas on the other. Since the number of labour migrants to be accepted officially is limited by quotas, the number of residency which may be provided is limited as well. Growing tension among foreign workers under such circumstance has been the cause of increase in crimes committed both by foreign citizens and to them, aggravating the risk of corruption in the foreign workers’ society.

There are also juridical inadequacies concerning the extension of work permits. For example, in point 2 of article 4, the Agreement allows an extension of work permit up to another year depending on the employer’s request. However, there are no clear criteria on how the inspectors of the migration service should admit the employer’s request.

This situation gave rise to confusion among employers using foreign workers. Terms of work permits may be extended upon request of the employers or customers of services who are legally admitted the use of foreign workers. Additionally, point 9 of article 13.1 of Federal law of “legal status of foreign citizens in Russian Federation” enables that employers without official permit for the use of foreign workers may accept foreign citizens from countries which does not require visas on entry.

According to article 6 of the Agreement, customers of services must issue documents specifying the occupation and wages of the worker, and certify them with

seals. However, the Agreement was written without knowing the fact that customers of services do not own any seals to actually certify the documents. Article 10 requires migrant workers from Tajikistan to present copies of a health certificate, with proof of immunization, and the result of a medical checkup proving the worker to be qualified for work in terms of health condition. Meanwhile, migrants from other countries need only to submit proof for not being infected to certain diseases listed by the Government of Russia. Regulations on migrant workers from Tajikistan are stricter for the sake of article 10 of the Agreement.

Recently the representatives of Mayor's Office in Moscow declared their willingness to accept 200,000 workers from Tajikistan annually in the form of organized migration. The Government of the Republic of Tajikistan and the authorities of Moscow came into an agreement to carry out such project to control labour activity and to protect migrant workers socially. FMS of Russia has approved of the project as well. The project is assumed to determine the annual size of organized migrant workers to be attracted, in this case from Tajikistan, depending on the number of occupations available in Moscow. If the project is carried out in full-scale, it may realize the implementation of intergovernmental agreement concerning labour migration between Russia and Tajikistan.

Compared to Tajikistan workers, experts estimate that migrant workers from Kyrgyzstan are in a more favorable situation. First of all, there exists an agreement between Russia and Kyrgyzstan for obtaining citizenship in a simple procedure. The agreement allows citizens of Kyrgyzstan to obtain Russian citizenship in rather a short term without acquiring work permits in Russia. Moreover, in 1996, an agreement was signed between the Government of the Russian Federation and the Government of the Republic of Kyrgyzstan to maintain good working conditions of the migrant workers and to protect them socially. In the agreement, for example, the migrants may work for two years, and may extend another year if desired.

An intergovernmental Protocol, signed in 2005, between the Russian Federation and Kyrgyzstan in order to make changes in the above-mentioned agreement of 1996, improved their conditions furthermore. The changes in the Protocol freed employers or customers of services from preliminary payment which was paid to the migrants as money necessary for the Kyrgyzstan migrants to return to their country upon expiration of their labour term based on the Federal Law "of legal status of foreign citizens in the Russian Federation."

In addition, the Protocol agreed that independent entrepreneurs, who prefer to do business without creating an entity of a juridical person, may still register on the territory despite their length of stay.

However, the changes in the 2005 Protocol were inconsistent with the Russian legislation in some aspects. For example, the Protocol obliges that the established order of attraction for labour migrants does not apply to foreign workers who are employees

of juridical persons. At the same time, according to point 4, article 13 of the Federal Law of “legal status of foreign citizens,” such foreign workers do not belong to categories of citizens which the established order is not applied.

The Protocol also regulates that state registration of independent entrepreneurs, who intend to host foreign workers for labour activity, must be processed despite the terms of their stay on the territory of the host state. However, such rule is not in accordance with point 1, article 22.1 of the Federal Law “of state registration of juridical persons and independent entrepreneurs.” The Federal Law states that independent entrepreneurs may be registered as foreign citizens living on the territory of the Russian Federation temporarily or permanently.

Pilot project on organized labour migration has been carried out in interregional level between Moscow and Kyrgyzstan.

The authorities of Moscow have at last started making effort in structuring an organized recruitment of migrant workers from Central Asia which matches with the demand in the Russian economy. The plan for recruitment is as follows:

Employers must first submit an application to the Committee of interregional links and national policy of the Government of Moscow for the use of foreign specialists. Number of workers necessary, amount of pay, guarantees of residency and medical care will be specified in the application. Applications will be accepted by the Department of Employment Services and directed to the agencies of labour of the countries which may provide the desired human resources.

Next, the agencies of the countries, where the candidate workers originate from, organize their medical checkups. After that, the Russian employers will receive a notification that the group of candidates is ready to leave the country. A representative of the employer then visits the country to determine whether the workers will match the declared needs. If so, the representative confirms the workers’ departure.

In the third stage, the representative of the employer, the Committee of Employment of the country which sends out the workers, and the group of migrants meet together in Moscow. Migrant workers are provided with “economy class” accommodation. They must submit documents to the Moscow Migration Bureau and go through all necessary procedures according to the Russian regulations. The proposed structure was studied by the Federal Migration Service of Moscow, and also examined by researchers. In 2008, “Migration Bureau” was established by authorities of Moscow on the territory “ZIL”. It is the first “labour stock” for migrant workers where they may get information of their rights, obtain documents, and find accommodation at inexpensive rates.

Authorities are making progress in constructing special settlements for labour migrants to live in. The regulations of the Government of Moscow “on measures of attraction of foreign workers to enterprises in Moscow city” officially approved of a project to construct temporary settlements equipped with living rooms, kitchen, shower etc. Such equipment may induce foreign migrant workers to register themselves at

migration offices. Construction of settlements for migrants will be a project conducted by public and private partnership¹⁰. Department of Architectural policy, and Development and Reconstruction of Moscow collected applications by 2009 from organizations which wish to acquire lands to construct such settlements. For example, in Southern and Western Administration Okrug, four towns will become settlements for foreign migrant workers and migrants currently working in the field of housing and communication services in Lefortovo, Maryino, and Vyhino. The settlements will probably be constructed in the streets of Aviamotornaya, Nizhnie Polya, Ferganskaya, and Marynsky Park.¹¹ It is planned to begin in autumn in 2010.¹²

Turkish construction firm “Enka” has carried out a similar project in the capital which has been successful for a long time. 135,000 workers work in the construction projects of this firm in Moscow, and Moscow oblast. Now the company has three settlements for labour migrants. Settlement in the district of Taganka accounts for 1800 units of residences. Workers share one unit by four persons, and engineers share by two. Every unit is equipped with a refrigerator, TV set, and a bathroom. The settlements have medical clinics, training rooms, coin operated laundry, and a cafeteria. Workers live in the units on the account of the company, and given rides to and from work by bus.¹³

The Government of Moscow also suggests introducing identification cards for migrant workers which include information from FMS, health care offices, tax services, security services, and other organizations. In relation to the plan, the Government of Moscow and the Administration of FMS in Moscow began a project of “IC cards for migrants”.

Meanwhile, there are difficulties in regulating labour migration on the regional level. Although regional regulations must be approved by the federal authorities to be in accordance with federal policies, federal regulations are not flexible enough to react to the needs of various territories of Russia.

Recommended amendments concerning regulations on labour migration from Central Asia into Russia

This research shows that illegal migrant workers from Central Asian states are widely spread in various sectors of the economy in Russia. Although the official figures of foreign workers are not so high, they work practically everywhere; Russian workers on the list of employees are actually foreigners in many cases. Since the latter cost much cheaper, the owners attempt to make profit from those differences. In fact, many industries using migrant workers are becoming part of the shadow economy.

¹⁰ Reservations for guest workers // Arguments and facts. - #31, 2008. – P.5

¹¹ Moscow will care of migrants // Vzgl'yad. – 23 July 2008. – P.1

¹² Capital will settle guest workers in temporary settlements // www.izvestia.ru

¹³ Hotel “By guest worker” // Rosyiskay gazeta. – 9 September 2008. – P.1

There are also problems involving social or human rights issues. Migrant workers live in bad conditions, are paid low wages, and are exploited by employers. We may say that forced labour has been taking place in some areas of the Russian economy. While Russian workers became unwilling to take jobs in certain areas, more employers began to hire foreign workers who are willing to work even for unjustly low wages. In order to ameliorate such situation, next measures are suggested for amendment in the regulations on labour migration:

- 1) to have the Russian regions and countries of Central Asia come into an agreement to control the number of organized migration for temporary labour;
- 2) to develop an infrastructure for employing labour migrants from the countries of Central Asia to work in Russian enterprises including licensed private employment agencies;
- 3) to clarify regulations on licensing agencies, and to create a list of private employment agencies;
- 4) to strengthen control on the use of labour migrants by employers, and also to inflict a harsher punishment for exploiting irregular migrant workers;
- 5) to make an amendment to the Criminal Code and to introduce criminal punishment for falsification and sale of registration documents, migration cards, etc;
- 6) to introduce criminal punishment for organizers and owners of firms making false documents deceiving labour migrants;
- 7) to extend the limit of days for registration from three to six days counting from the day of entry, and to extend the term of stay of labour migrants from Central Asian countries to three years without annual deportation (if they are employed at the time);
- 8) to fix a quota for each employer (enterprise, organization, firm, or independent entrepreneur) based on a proof of the number of employees necessary before the three-sided meeting;
- 9) to admit private employment of foreign labour migrants by natural persons and independent entrepreneurs legally if all necessary requirements and conditions for work permits are fulfilled;
- 10) to oblige employers to offer work for Russian workers, including those from other territories;
- 11) to reduce the income tax rate from 30% to 13% and allow foreign citizens from CIS countries to withdraw from the “shadow” economy;
- 12) to oblige employers to provide their migrant workers with health insurance, and temporary residence equipped with minimal facilities (i.e. build settlements for temporary stay);
- 13) to organize a system to observe working conditions, security, and living conditions of migrant workers, together with the lawfulness of the employment itself;

- 14) to urge employers, who register migrant workers legally, to provide their employees with health insurance, adequate residence, and security for labour by reducing charges for social security from employers;
- 15) Trade unions should let themselves known among migrants actively, and support them in their everyday problems;
- 16) to legalize illegal labour migrants from Central Asia into the territory of Russia by charging penalty (in minimum size, if there is a specific employer, and in maximum if there is no one);
- 17) to examine whether the registration procedure for temporary stay, residency, and citizenship may be simplified depending on which category in Central Asia the workers belong to (based on the interstate agreement between Kyrgyzstan, Kazakhstan, and Belorussia and the Russian Federation, respectively);
- 18) to introduce a policy to regulate illegal removal of documents from foreign citizens by law enforcement agencies, employers, and officials;
- 19) to create public learning centers which offer labour migrants from Central Asia programs including Russian language and basic legislation matters in Russia. It may be practical to create such centers in the temporary settlements of labour migrants.

It is necessary to develop a registration system to keep records of labour migrants – especially the information on the existence of their work permit, and places of work. The system should also be able to provide up-to-date information on the number and distribution of foreign labour migrants. Central Database on Account of Foreign Citizens, which the FMS has been developing over the past several years, could become the basis for the creation of such registration system.